

Government Efficiency and Accountability Review (GEAR)

GEAR10 Board Meeting
September 18th 2018



<https://gear.delaware.gov/>

Agenda

30 min

1. Introductions
2. Old Business
 - Review/approve minutes
 - 2018 GEAR Board meeting schedule
 - GEAR team update
3. New business
 - Annual Report

90 min

4. Deep Dive
 - Financial Services
 - Education
5. Open Topics discussion -- Board
6. Public Comment
7. Adjourn



Old Business

Review/Approve Minutes from Prior Board meeting

Sent to Board for review August 30th, 2018



Old Business

2018 GEAR Board Schedule

Tuesday, January 9, 2018

10:00 a.m. to 12:00 p.m.

New Castle County

Wednesday, March 14, 2018

8:00 a.m. to 10:00 a.m.

Dover

Tuesday, May 15, 2018

10:00 a.m. to 12:00 p.m.

New Castle County

Wednesday, July 11, 2018

8:00 a.m. to 10:00 a.m.

Dover

Tuesday, September 18, 2018

9:00 a.m. to 11:00 a.m.

New Castle County

Wednesday, November 14, 2018

8:00 a.m. to 10:00 a.m.

Dover



New Business



GEAR Team Update

- GEAR website updates:
 - Focus Area updates
 - Publishing team 4-Blockers
 - GEAR Dashboard
- Information Technology update
- Human Resources Delivery update
 - *Insurance Coverage Office materials in “Additional Materials” section*
- Focus Areas activities:
 - P3 meeting at BOA
 - Financial Services team
 - GEAR / School districts business manager connect
 - **DHSS Sustainable Energy program**
- GEAR Annual Report



Old Business

Progress Reporting Tracking

- 4-Blocker reporting template submitted two days before every GEAR Board meeting
- 4-Blockers posted to GEAR website before meeting
- Addresses our requirements for transparency
- **Progress indicator required for each 4-Blocker**

FINANCIAL SERVICES ENSURE EFFECTIVE INTERNAL CONTROL SYSTEMS ARE DEVELOPED AND MAINTAINED: PCARD	
Objectives and Achievements	In Progress
<ul style="list-style-type: none"> Issue: State agencies have traditionally operated with significant autonomy. As a result, many administrative and financial service functions are duplicated statewide, resulting in unnecessary expenditures for employee and contractor time, software licenses, and computing service costs. Objective: Ensure effective internal control systems are developed and maintained: Increase PCARD usage (each additional \$25M in spend will increase rebates \$300K and lower costs for processing checks) Current PCard spend 2017 \$130.1 M Leadership: DOF (Cole) and OST (Gonzalez). 	<ul style="list-style-type: none"> DOF working with OST to issue joint PCard RFP so that PCard spending, rebates, cost savings and banking fees addressed comprehensively. GSS drafting Critical Need memo to extend current PCard contract
Next Steps (Future Activities)	Challenges (Issues and Risks effecting your effort)
<ul style="list-style-type: none"> Review and issue the comprehensive RFP Meet with DTI to develop an implementation plan for integration of products with FSF Together with travel continue explorations of travel management services which through connection to the PCard will result in increased usage. Reduce the current pay cycle for checks and ACH transactions from daily to weekly or biweekly to drive more payments to the Single Use Account (SUA) within the PCard program 	<ul style="list-style-type: none"> Current capacity of the ERP team to handle additional workload required to implement new banking products/services

GEAR Dashboard	
	May July Sept Dec
Financial Services Delivery	1
Banking Architecture Redesign	Implement a new statewide banking architecture to drive greater efficiency from banking partners.
Tax Revenue Collections Modernization	Tax Modernization – the Department of Finance is replacing its modern, industry-standard enterprise tax platform to provide taxpayers at a lower total cost.
Drive PCARD usage	Increase procurement card (PCard) usage to simplify employee processes and reduce check/ACH payments to vendors. PCard selection in request for proposal (RFP) as part of Banking Architecture managed by the Office of the State Treasurer (OST).
Simplify Travel Per Diem	Ensure effective internal control systems are developed and travel per diem complexity that leads to inefficiencies in use compliance and auditing (estimated savings \$800,000).
Government Accountability Act (GAA)	Revision to the Government Accountability Act (GAA) to drive use of performance metrics by all agencies – submitted to Joint Finance Committee (JFC) -- now SB263.
DE Population Consortium	Recommendation to amend Title 29 Delaware Population Consortium, municipalities, school districts, and State agencies to of population statistics to avoid duplicative costs and improve now SB219
	1) Develop action plan to manage and improve the quality of operation of FSF. [On hold] 2) Make improvements to the tracking of school district



GEAR Second Annual Report

- Second annual GEAR report containing continuous improvement recommendations for the Governor
- Schedule
 - Sept-Oct Interviews
 - Nov 7th Draft completed, Board reviews
 - Nov 14th GEAR Board review/approval
 - Nov 19th Final comments due from Board
 - Nov-21st Final version mailed to Board
 - Dec 1st Report posted on GEAR website

Interviews

September

Week 1	Education
Week 2	Financial Services Delivery
Week 2/3	P3
Week 3	Health and Social Services
Week 3/4	IT Efficiency

October

Week 1 or 2	Criminal Justice
Week 1 or 2	Human Resources Delivery
Week 3	GEAR



GEAR Second Annual Report

Report Outline

- Introduction to annual report
- List of Focus Areas
- Focus Area #1:
 - **Introduction**
 - **Prior year report recommendations**
 - **Status of prior recommendations**
 - **Recommendations for future**
- Focus Area #2 ...
- Focus Area #3 ...

Focus Area Order in Report

1. Criminal Justice
2. Education
3. Financial Services Delivery
4. Health and Social Services
5. Human Resources Delivery
6. IT Efficiency
7. P3
8. GEAR

Deep Dive

2018 Deep Dive Order

Tuesday, January 9, 2018

Education

Information Technology

Wednesday, March 14, 2018

P3 – Public/Private Partnership

Financial Services

Tuesday, May 15, 2018

DHSS & Healthcare

Criminal Justice

Wednesday, July 11, 2018

Information Technology

Human Resources

Tuesday, September 18, 2018

Financial Services, Education

Criminal Justice

Wednesday, November 14, 2018

P3 – Public/Private Partnerships

DHSS & Healthcare



Deep Dive

Financial Services Delivery

OSPC Tasks under GEAR

- Improve Data Integration and Mapping
- Require all State Agencies to use Delaware Population Consortium Projections
- Establish Centralized Land Inventory Database

OSPC

Improve Data Integration and Mapping

Improve Data Integration & Mapping

Overview

Issue

The use of multiple data sources for State decision making leads to duplication of efforts, conflicting and competing analyses, and higher costs for both analyses and decisions made

- FirstMap provides an enterprise solution for geospatial data.
 - Launched in September 2016
 - Most agencies use for data dissemination
 - Valuable tool for Agencies - mapping and data integration
- No formal statewide oversight for geospatial governance
 - Leads to Agencies purchasing data that may already be collected by others – duplication of effort and higher costs
 - Leads to contracts for services perhaps might be more cost effective if using FirstMap resources
 - Leads to under use of FirstMap resources

Improve Data Integration & Mapping

In Progress

- The Delaware Geographic Data Committee (DGDC) convened a subcommittee to determine a path forward.
 - Last meeting August 2018
 - Representatives: OSPC, DTI, DeIDOT, DNREC, DSHS, DHSS, DSHA, DEMA, DOE, New Castle County, Sussex County, Kent County, University of Delaware
 - Goal to ensure an efficient and effective management of Geospatial Data and Infrastructure for the State of Delaware.
- Scope of Work
 - Subcommittee drafted an outline of work to be done so that we can present a recommendation to the GEAR Board on how to improve the data integration and mapping efforts in the State.
 - DeIDOT has offered to use an existing contract mechanism they have with UD/IPA to perform this scope of work and produce a Recommendation document.

Improve Data Integration & Mapping

Next Steps

- Develop Recommendations Document
 - Review Scope of work with UD/IPA
 - Initiate contract
 - Set deadlines

Challenges

- Requirements gathering to determine the best path forward will take time
- Recommendations may require dedicated State funding

Improve Data Integration & Mapping

GEAR Board Action

- At this time, DelDOT has offered to pay for UD/IPA to perform scope of work to evaluate best path forward and gather requirements from agencies, etc.
- At a future time, once there are recommendations, we'll need dedicated funding from the GEAR Board and agency support to put the recommendations in motion. Funding amount is unknown at this time pending outcome from recommendations report.

OSPC

Require all State Agencies to use Delaware Population Consortium Projections

Delaware Population Consortium Projections

Overview

Issues

The Counties are required to use the Delaware Population Consortium population projections for planning, grants, loans etc., but State agencies, school districts and other levels of government are not. This can lead to competing versions of future population projections as well as duplicated effort in creating various projections.

- The Delaware Population Consortium is an informal statewide committee that has been developing a unified set of population projections since 1975.
- By using shared statewide data and population projections all entities will be able to agree on their accuracy as well as see the “big picture” statewide.

Delaware Population Consortium Projections

In Progress

- It was determined that legislation is necessary to formally create the Delaware Population Consortium in Delaware Code and require that all State Agencies, local governments and school districts utilize the DPC projections.
- OSPC / OMB developed legislation in spring of 2018 after an extensive outreach effort with stakeholders.
- SB 219 “An Act to Amend Title 29 of the Delaware Code Relating to the Delaware Population Consortium”
 - Sponsors: Senators Hanson, Ennis Townsend; Reps Carson, Baumbach, Brady, Keely
 - Introduced 6/1/2018
 - Passed by Senate 6/14/18
 - Was not considered by the House before session ended 6/30/18

Delaware Population Consortium Projections

Next Steps

- June 2018 was the end of the 149th General Assembly
- The DPC Bill will be reintroduced when the 150th General Assembly convenes in January 2019
- When the bill passes and becomes law after the signature of the Governor, the DPC must revise its by-laws to conform to the membership structure defined in the bill

Challenges

- OSPC /OMB will have to reach out to the bill sponsors after the elections to gain their support again.
- New legislators may have additional questions and concerns, which may delay the passage of the bill
- Unforeseen issues that could arise through the legislative process

Delaware Population Consortium Projections

GEAR Board Action

- The continued support of the GEAR Board for this legislative effort is needed and appreciated
- Board members should encourage their agency staff and consultants to use DPC projections for all planning and budgeting purposes
- Board members should encourage agency staff to participate in DPC and share any data and information that could improve the quality of the projections

OSPC

Establish Centralized State Land Inventory Database

Establish Centralized State Land Inventory Database

Overview

Issues

There is no central list or database of all lands owned or leased by the State of Delaware.

- Different lists / databases are maintained by each agency or division with responsibility for real property
- Lack of centralized database / list can lead to inefficient and duplicative efforts to manage real property.
 - Shared lists represent a point in time, rather than real time data
 - Each agency / division develops their own database / list and procedures
 - New property acquisition / property disposition not reflected in all lists leading to potentially inaccurate data.
- Impossible to understand the “big picture” of State real property holdings or management

Establish Centralized State Land Inventory Database

In Progress

- The Office of State Planning Coordination has attempted to create a Statewide database of real property using the data and lists from multiple agencies and divisions. This effort involves continuous updating, but is not “real time” in that changes made by one agency /division are not automatically updated
- In July of 2018 this objective was transferred to OSPC

Next Steps

- Create a Business Case with DTI to create a centralized relational database and geospatial component to maintain accurate and up-to-date data on the assets owned and managed by the State of Delaware
 - Design of database is envisioned to permit each agency autonomy to input and manage their inventory data, but store it centrally so it is available to all and updated in real time (or close to it) as new entries are input

Establish Centralized State Land Inventory Database

Challenges

- Funding will be needed to create the Statewide database and agency interface.
 - Amount TBD based on business case
- Database design must accommodate unique needs of different users
- Participation and buy-in of all agencies/divisions will be needed for the effort to be a success.
 - Agency staff work flow may have to be adjusted

Establish Centralized State Land Inventory Database

GEAR Board Action

- Board members should encourage agency staff to participate in the effort to create the business case for this project
- Board members should encourage agency staff responsible for real property to coordinate their activities with this effort
- Board members should enable adoption of new database tools and procedures as this effort is implemented
- Board must find funding to develop and implement final centralized database – no estimates at this time, as the project needs to be scoped out.

Contractual Real Estate Support

Objective

Engage a vendor to implement best practices and to comprehensively manage the State's Real Estate portfolio with the intent of generating long term savings.

Current Portfolio

- 118 leases (1.5M sq. ft.)
- Cost of \$28M annually
- 55 leases expiring within the next 5 years

Staffing Limitations

Process Review

- Workflow
- Lease document modifications
- Consolidation (owner/agency need)
- Budgetary Impact
- Improved Reporting

Contractual Real Estate Support

Next Steps

Vendor kick-off meeting on September 20th.

Post Meeting Activities

- Review and document the State's current lease portfolio.
- Requirements meeting with each agency.
 - Use existing space
 - Re-negotiate existing space with improvements
 - Consider relocation
- Vendor meetings with lessors.
 - Vendor is commission based dependent upon savings.

IRAS - Integrated Revenue Admin System

- Replace DOR legacy infrastructure and (100+) systems with modern systems
- Improve security and provide better single view of the taxpayer
- RFP issued August'18
- Solution implemented in 3 major releases over 4 years
- 1,500 business and technical requirements to be implemented
- Oversight through clearly defined governance and project management processes
- Comprehensive software testing program

IRAS – Current and Future States

Current State

- Cyber attacks difficult to stop with aging technology
- Legacy tax applications mean in poor data/systems integration
- Difficult to create accurate/consolidated reporting
- Specialized personnel needed to maintain outdated systems and languages
- Labor intensive to make changes driven by legislation
- Single view of the taxpayer for staff difficult – even harder to create a single view for customer

Future State

- More secure and safe
- Built specifically to support statewide revenue collection
- Single taxpayer view for customer and staff
- Easier integrated application to support
- Architected for performance and scalability
- Significant business workflow efficiency
- Modernized & user friendly experience

IRAS - In Progress

Process

- Team currently working with nine (9) other states that have implemented tax system modernization projects to define:
 - Key project planning activities
 - Business and technical resource requirements,
 - Technology needs and best practices
- Team working to improve current annual tax season processes to enable additional time for project

Timeline

- RFP completed and issued on August 10, 2018
- Vendor proposals due on November 7, 2018
- Proposal Evaluations November 8 - 28, 2018
- Vendor Demos January 7 - 18, 2019
- Notification of Winning Vendor January 25, 2019
- Contract (TBD)
- Project Launch 2Q2019

IRAS - Challenges

- Team capacity
 - Balancing modernization project work with regular operational responsibilities and work load
 - Technical and business resources required to evaluate proposals overlap with those needed to run annual tax season processes

Governmental Accountability Act

- **Current Status:**

- SB 263 passed the Senate 19 Yes 2 Absent (June 21, 2018). Not considered by the full House. Need to start over in the next legislative session (January 2019)

- **Action Plan:**

- Review additional updates to the bill proposed by GEAR members (September 2018)
- Present updated bill for approval by GEAR Financial Services Delivery Team (October 17, 2018)
- Present updated bill for GEAR Board endorsement for re-submission to General Assembly (November 14, 2018)

Banking Architecture Redesign

- **Completed**

- Completed comprehensive review of each banking services proposal
- Reviewed feedback and scoring with the Evaluation Committee and identified finalists for each component of the RFP
- Finalized presentation schedule and notified finalists

- **In Progress**

- Finalist presentations scheduled for the week of 9/17
- Preparing extensions of current banking services contracts (expires year-end) to provide coverage next year during a potential transition to new providers

- **Next Steps**

- Evaluate finalist presentations and identify award winners for Cash Management Policy Board (“CMPB”) approval at the November meeting

- **Challenges**

- While agency participation has remained strong to-date, sustained participation from subject matter experts is required throughout the project lifecycle

Travel Per Diem

- **In Progress**

- DOF working with OST, PCard part of Banking Architecture Redesign RFP process
- Review of Travel Policy on agenda for examination by DOF/DOA newly restarted Financial Advisory Committee

- **Next Steps**

- Revising State's travel policy and then updating the travel policy in the Budget and Accounting Policy Manual

- **Challenges**

- Until travel policy revised and new PCard vendor contracted, search for travel management company suspended

- **GEAR Board**

- Endorse changes to Travel Policy

PCard

- **In Progress**
 - Selection of bank to provide new PCard program to be completed by end of September 2018
- **Next Steps**
 - Identification of DOF resources needed to implement new PCard program by March 2019
- **Challenges**
 - Current limited capacity of ERP Team to handle implementation of new PCard program
- **GEAR Board**
 - Support for new PCard program and increased use of the PCard for travel and other purchases

Senior Financial Officer Roundtable

- **In Progress**

- Membership of Roundtable identified (DOF, OMB, CGO, OST, AOA, Judiciary, School District) and leader appointed (DOF)

- **Next Steps**

- Initial work team/focus group to be Financial Advisory Committee (FAC) and it will identify onerous paper processing requirements and develop plans, make recommendations and implement changes

- **Challenges**

- Changing fragmented financial practices that have “worked” for individual State entities

- **GEAR Board**

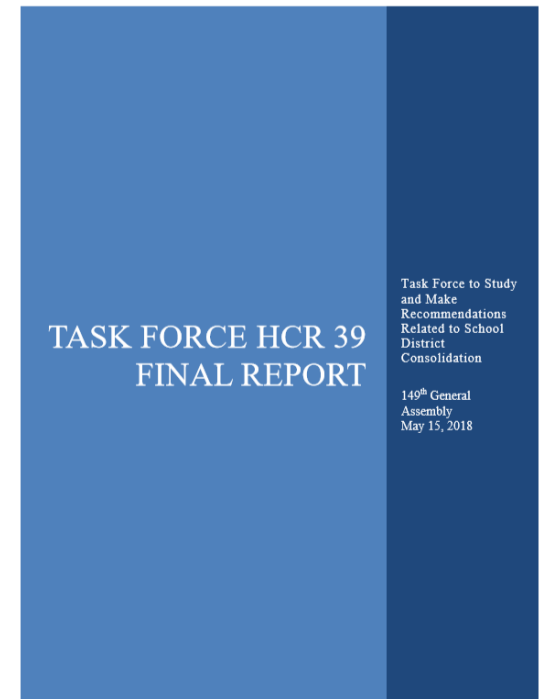
- Support for improving State financial policies and practices across all State entities

Deep Dive

Education

Education Deep-Dive Topics

- HCR94
 - General Assembly recommended that GEAR review and act upon the School Consolidation Task Force recommendations
- GEAR Education Projects
 - Charter transportation
 - Council on Education Technology
 - Data standardization for financial transparency



HCR 94

- Four subcommittees made recommendation formalized in a report to the General Assembly made May 15, 2018
 - Academics and Student Needs
 - Finance
 - Structure
 - Teachers and Staff
- Task force did not find that consolidating school districts would yield much cost savings; findings and recommendations include ways to potentially save money and/or improve academic performance for all children



HCR 94

Academics and Student Needs

- Shared services for unique language learners
- Provide access to state-supported mental health services
- State funding for extra time programs to support additional learning opportunities for lower-performing students
- Expand partnerships to support wellness centers at the middle school level

Finance

- Reassessment of property values
- Establish committees of the school district purchasing leads to meet together and with State officials



HCR 94

Structure

- Review and revise transportation funding formula
- Gap analysis of school technology hardware, software, staffing
- Review current State technology funding formula and staff/devices/systems supported
- Seek opportunity for cost savings by countywide consolidation of services (specialty equipment, trash services, custodial supplies, maintenance contracts, relationships between state/education agencies)
- More effort to coordinate services/products from local agriculture to school cafeterias
- Formal organization and review of proposals between education agencies and GEAR

Teachers and Staff

- Improve functionality of the statewide job applicant tracking system
- Upgrade technology and bandwidth



Charter transportation

- **Overview**

- Status – Closed out/limited implementation
- Concept was that charters and districts could collaborate to share routes
- Potential benefits
 - Save money
 - Reduce buses on the road (safety, traffic, environmental)
 - Alleviate bus driver shortage
- Findings
 - Potential benefits limited to few situations in populated areas



Charter transportation

- **In Progress**

- Red Clay Consolidated School District (RCCSD), Charter School of Wilmington (CSW), and Odyssey Charter School (OCS)
- RCCSD and CSW agreed to pilot shared routes for CSW and Cab Calloway School of the Arts, two schools located at the same site in Wilmington
- RCCSD is contracting with OCS to transport RCCSD students using OCS driver and bus time that would be utilized based on OCS needs

- **Next Steps**

- All parties will monitor cost benefit
- Nuances in transportation funding methods for districts and charters may impede future partnerships



Council on Educational Technology

- **Overview**

- Where centralized and/or shared, there may be potential to save money on and/or improve technology services
 - Example – content filtering services
- Where decentralized selection, acquisition and/or management is present, there may be opportunities to learn from innovation and best practices, save money on coordinated acquisitions, and provide services better targeted to evolving educational needs
- The “sweet spot” between centralization and decentralization is different for each technology service or commodity
- The Council on Educational Technology is charged to explore these topics



Council on Educational Technology

- **In Progress**

- Council established formally in Section 338 of the FY2019 Operating Budget Act epilogue
- Department of Education is working to identify members and schedule the first Council meeting before the end of the calendar year
- Activity to explore content filtering capabilities and costs will be taken on by the Council

- **Next Steps**

- Council will establish opportunities and priorities
- Work begins

- **Challenges**

- Selecting the best areas of emphasis

- **GEAR Board**

- As efforts are identified the Council may request the help of industry experts in specific areas



Financial Reporting Data Standardization

- **Overview**

- DOE is required to report expenditure data at the school and/or local education agency (LEA) level for several purposes
 - Federal reporting (F-33, NPEFS, IDEA Maintenance of Effort/Excess Costs)
 - ESSA – Every Student Succeeds Act – requires school-level expenditure reporting
 - SB172 – extends ESSA reporting into additional categories
- There is currently no clean way to map expenditures into required categories

- **Objectives**

- Standardizing fiscal coding across LEAs will enable us to make reporting more accurate, more timely, more transparent, more meaningful
- Other agencies may have similar requirements and can learn from or join this effort



Financial Reporting Data Standardization

- **In Progress**

- ESSA Report Card replacing School Profiles
- Requested suggestions from district/charter business managers
- Mapping what needs to be reported back
- Public meetings to discuss SB172 implementation are scheduled

- **Next Steps**

- Continue mapping back to the source (FSF)
- Analyze large categories of spend for opportunities to increase transparency
- Build standard fiscal code sets for districts/charters
- Look for synergies with the Open Data effort



Financial Reporting Data Standardization

- **Challenges**

- Current codes do not classify spend by purpose (instructional, student support, administrative, etc.) – sometimes implied at best
- SB172 and ESSA timelines may mean FY2018 and FY2019 spend is self-reported by districts/charters – before standard codes are fully in use (July 2019)

- **GEAR Board**

- Support in enhancing set of account codes available to education
- Potential adjustment in Epilogue to strengthen mandate for LEAs to use standard set of codes
- Coordination with other agencies with similar needs



- **Open topics Discussion – Board**
- **Public Comment**

Adjourn



Additional Materials



INSURANCE COVERAGE OFFICE

Presentation to
Government **E**fficiency and **A**ccountability **R**evision Board

Presented by
Faith Rentz, Deputy Director
Statewide Benefits and Insurance Coverage, Department of Human Resources
September 18, 2018



ICO **OVERVIEW**



BACKGROUND



INSURANCE COVERAGE OFFICE



Title 18 Chapter 65 - Insurance for the Protection of the State

Title 18 § 6505 - Establishes the Insurance Coverage Office

Title 18 § 6508 - Duties of the Insurance Coverage Office



ICO maintains three budget lines:

Self insured – Claims Payments -General Funds

Contractual – Premiums - General Funds

Liability – Workers' Comp -Special Funds



ICO is staffed with:

6 merit positions, 1 casual seasonal, 1 contractual,
1 DAG, 2 Paralegals



ICO self insures 56,000 Workers' Comp. eligible participants



ACHIEVEMENTS/IN PROGRESS

OBJECTIVE	ACHIEVEMENTS	IN PROGRESS
Reduce the lost time days	Reduced lost work days*	Communicating results
Reduce incurred costs from workers' compensation injuries.	<p>Reduced overall cost compared to medical inflation rate**</p> <p>Provided monthly safety training to state agencies</p>	<p>Returning employees to work</p> <p>Training: Safety & Risk Management Services & Incident Reporting</p>
Protecting the State's Physical Assets	Negotiated a 2 year flat rate on the excess property renewal	Inspecting properties for safety/values

* Outlier claims were removed

** Outlier claims were removed & Medical Inflation rate is 2.46%



INSURANCE COVERAGE – Challenges

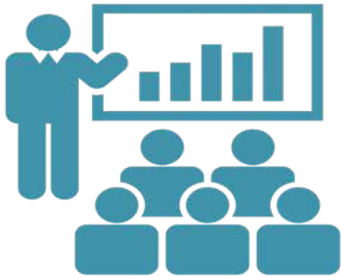
- ❖ Safety & Loss Control Participant Engagement
- ❖ Non-Executive Branch Buy-in with Return-to-Work Program and Safety & Loss Control

In FY18, there were 32,323 Lost Work Days with a cost of \$40.6M



NEXT STEPS

TRAINING



To All Executive
Branch Agencies
100% Participation

Enhance
Statewide Safety
Program



Reduce the time to return to work



Next Steps Continued

- ❖ Reduce overall costs of Worker's Compensation
- ❖ Collect information & assess the availability of Return to Work Policies and Safety Committees
- ❖ Enhance Existing Worker's Compensation Reporting to include Comparison Data
- ❖ Identify Opportunities to establish/improve Policy & Customize Trainings
- ❖ Develop a Prevention Maintenance Checklist



Contact



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